

Legislative Universal Service Fund (USF) Reform Working Group
Centurylink's Recommendations
09/19/16

- **Change the USF statute language to accomplish original intent to make it nondiscriminatory and competitively and technologically neutral in the collection of the surcharge.**
 - The USF surcharge on customer bills funds the program and keeps it a viable solution to help citizens in rural areas continue to receive comparable telecommunication services at comparable prices to those located in urban and suburban areas.
 - These changes will ensure that voice service providers who utilize the Voice over the Internet Protocol (VoIP) technology and other voice service technologies are required to pay into the fund.
 - Companies like Vonage, Magic Jack, Ooma, Comcast and other Cable Television providers, CenturyLink, rural telecommunication companies, fixed wireless providers, etc. offer VoIP services.
 - Based upon June 2015 FCC data, over 44% of the existing landline voice service is provided through VoIP technology.
 - Over time traditional landline voice service will continue to decline and customers wanting landline voice service will subscribe to a VoIP service.
 - Some providers who offer VoIP service pay into the fund and some do not.
- **Change the statute language so that the Public Service Commission (PSC) can change the USF surcharge to be assessed on a per line basis, in the same way as the 911 and the Telecom Relay Service(TRS) surcharges.**
 - In a recent PSC USF rulemaking proceeding, some parties argued that the current USF statute prohibits the PSC from adopting a per-line surcharge.
 - For many reasons, a per-line surcharge, like how the 911 surcharge is assessed, is a much better methodology.
- **Transition the existing USF to support the construction of High Speed Internet (HSI) networks capable of supporting voice service in high cost areas.**
 - As landline voice service migrates to VoIP, VoIP is provisioned over a High Speed Internet service. For the most part, providers are building VoIP capable networks to provide landline voice service.
- **Lifeline program changes to make it consistent with the federal Lifeline program to keep it a viable program benefiting low-income customers.**
 - If changes are not made the Utah Lifeline program will continue to diminish and will no longer be a viable option for the low-income customers.
- **Combine the Telecommunications Relay Service (TRS) and USF surcharges into one surcharge.**
 - This will help stabilize funding issues with the TRS program as the cost of that program continues to decline.
- **Add language to make clear that any obligations and requirements that are associated with receiving USF funding, only apply to funded areas.**